a series of years, the loss to the State from this cause has been very considerable. By a careful examination of the interest account of the institution, we find the average amount paid for discounts annually, for ten years, to be over twenty-one hundred dollars, (\$2,100); and in several instances within the last few years, the financial credit of the establishment was only preserved by the timely assistance afforded by private individuals, who, to extricate the institution from its difficulties, have, at various times, advanced their private funds to relieve it of its pressing necessi-To enable the institution to promptly meet its existing liabilities, your committee recommend an immediate appropriation of ten thousand dollars; and to enable it to suffer no loss during the remainder of the year, from the deficiency its receipts, as compared with its necessary expenditures, we recommend an additional appropriation of two thousand dollars, to be drawn from the Treasury at the end of each of the remaining quarters of the present fiscal year, commencing on the 31st day of May ensuing; and to obviate all difficulties of this kind in the future, and to render unnecessary any future annual or biennial legislation for the relief of the Penitentiary, your committee recommend, that on and after that first day of December next, the Directors of that establishment de authorised, by appropriation made by the Legislature, to draw from the Treasury of the State, such sum or sums of money as may be necessary to pay the salaries of the officers. These salaries amount to the sum of fifteen thousand dollars annually, and we would recommend that they be paid in quarterly drafts upon the Treasury, to the amount of three thousand seven hundred and fifty dollars each, commencing on the 28th day of February, 1853. In the Virginia Penitentiary, which is one of the best managed prisons in the country, and which, on account of its employing its convicts in manufactures which encounter no competition that renders them unprofitable, and no prejudice existing in the surrounding community against the products of convict labor to such an extent as to deter any citizen from becoming one of its regular customers, pays its expenses every year, we find a similar regulation existing, as the following extracts from a letter of its able Superintendent will show:

"The accounts for the diet of the prisoners, and the salaries of the Superintendent, and the six assistants, the Directors, Clerk, and Surgeon, are paid at the Treasury of the State. The compensation of the interior guards, the account for raw materials, and all contingencies are paid by the general agent that is employed to sell the manufacture of the prisoners, and any surplus funds which accumulate in his hands, are paid into the Treasury of the State, by order of the board of Directors, once or twice a year. The agent settles quarterly and annually with the board.

By this arrangement it will be perceived that no occasion exists